

Approved

**ENHANCED MUNICIPAL SERVICES DISTRICT COMMISSION
CITY OF SCOTTSDALE
COMMUNITY DESIGN STUDIO
7506 E. INDIAN SCHOOL ROAD
SCOTTSDALE, ARIZONA
APRIL 20, 2005
MINUTES**

PRESENT: William Gookin, Jr., Chairman
Marilyn Atkinson, Commissioner
Anselm Bischoff, Commissioner
Bambi Johnson, Commissioner
Sally Shaffer, Commissioner

ABSENT: Paul Piazza, Vice Chairman
Steven Scholz, Commissioner

STAFF: Michelle Korf, Deputy Director
John Little

OTHERS

PRESENT: Donna Bronski, Attorney's Office
Michelle Olson, Olson Communications
Michael Fernandez, Brown Stetson Merchants Association
Judie Pinch, Old Town Scottsdale
Ken Carter
Sandy Daiz
Sahler Hornbeck
Lauren Kapinos

CALL TO ORDER

Chairman Gookin called the regular meeting of the Enhanced Municipal Services District Commission to order at 5:42 p.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY COMMISSIONER SHAFFER TO APPROVE THE MINUTES OF THE MARCH 16TH, 2005 MEETING AS PRESENTED. THE MOTION WAS SECONDED BY COMMISSIONER BISCHOFF AND PASSED UNANIMOUSLY.

Chairman Gookin announced that the minutes were being recorded, and advised that to hold a private conversation, you should cover your microphone.

OPEN MEETING LAW

Donna Bronski, from the Attorney's Office, provided information about the Open Meeting Law and discussed the Attorney General's new opinion on the Law. She announced that they would be distributing this information to all boards and commissions and would be adding it to the materials used in the new briefings being held for board and commission members.

There was some discussion about why the EMSDC meeting was being recorded and whether the Commission could get copies of the whole transcript. Chairman Gookin explained that the new court reporting company records the meeting onto a hard drive that, ultimately, will be transferred to a CD.

DOWNTOWN PERFORMANCE

John Little, with the Downtown Group, provided packets of information which highlight the numbers reported by people with business tax licenses downtown. The information is meant to be used to help make decisions about the need for marketing, promotion, public relations, or advertising. He explained specific information in the packet and described how they sorted the data and how it could be tracked.

There was discussion about how frequently reports could be submitted and Harold Stewart, Economic Vitality, answered additional questions regarding the information reported. There was further discussion about whether to hire professionals to analyze the numbers and it was decided that staff would provide further information to the Commission to decide if they want more or less information in order to determine whether they would want further analysis and how to get it.

REAUTHORIZING THE EMSD FOR FY '06

John Little explained the City's assessment process and noted that the City Council authorizes the assessment rate. The Commission gets its allocation through the assessment of properties in the district. On May 17th, at the City Council's public and budget hearings, there are two separate City Council items. (1) The City Council's

approval of the assessment for the district; and (2) The City's regular budget hearing, where they review and approve the budget. The Commission's assessment is part of the first item, and the Commission's separate budget request for additional funding is part of the City's regular budget hearing.

There was discussion regarding the possibility of a tax increase, and Michelle Korf pointed out that Chairman Gookin had adopted a resolution at a previous meeting recommending the request for additional funds to come out of the general fund, and that he had included a statement that he has taken the position that he prefer the assessment rate not be increased.

FY '06 MARKETING PLAN

Michelle Olson, of Olson Communications, provided an outline for the 2005/2006 marketing plan, noting they need approval and direction from the Commission to complete their strategy.

Ms. Olson discussed the significant inroads made the previous year, their target audiences for this year and their communications plan objectives. Ms. Olson passed out copies of the current and proposed budgets, noting the proposed budget does not consider the \$130,000 being requested.

Certain items and expenses were discussed and then Chairman Gookin opened the floor to questions from the public.

Michael Fernandez, Brown Stetson Merchants Association, made a request for area grants to receive more money if the City approves the \$130,000 budget increase. He also requested that the \$500,000 budget be reviewed at the next Sub-Marketing Committee meeting.

Judie Pinch, Old Town Scottsdale, expressed concerns about certain costs in the budget and stated that each district should receive the same funds as last year.

Ken Carter, Fifth Avenue Merchants Association, expressed concern about the amount of money, about 40% of the budget, going to Olson Communications. He questioned the need of a public relations company. Additional concerns were voiced about the cost of various budget items related to marketing and public relations.

Sandy Daiz, Fifth Avenue Merchants Association, announced that he was attending at the request of Frank McGuire, who is on the Marketing Committee, which was appointed by the Commission. Mr. McGuire had not yet seen the budget and wished to review it before presenting it to the Commission. Mr. Daiz suggested the budget should not be discussed until the Marketing Committee had reviewed it.

There was further discussion about budget items, including the positive side of having a consultant as an umbrella professional to put it all together, the participation of the city and the importance of the involvement of the districts, input from the marketing group, and breaking down the numbers.

Judie Pinch was recognized and commented on the amount of money spent on administration without regard to the total picture

Michelle Olson responded that there seemed to be a misconception that the marketing group had nothing to do with the plan. Ms. Olson further noted that the overhead administrative portion of the budget was pulled out so the Commission could see how much money is spent on administration, and area grant administration is a significant part of the time that Olson spends.

There was further discussion regarding confusion over the budget and various budget items. Sahler Hornbeck, with the Downtown Office, explained the budget and assessment periods and answered questions about when funds become available.

Lauren Kapinos, with the Scottsdale Convention & Visitors Bureau, was recognized. Ms. Kapinos clarified that the Public Information Office does not work with the Scottsdale Convention & Visitors Bureau on public relations activities. They have an internal public relations staff that handles their communications.

COMMISSIONER ATKINSON MADE A MOTION THAT THE MARKETING PLAN AND BUDGET FOR FY '06 BE RETURNED TO THE MARKETING WORKING GROUP FOR FURTHER DEVELOPMENT; THAT A FURTHER BREAK DOWN OF THE COSTS IN THE BUDGET ALLOCATION BE PROVIDED; AND THAT THE CITY EXPLORE WAYS TO MITIGATE AREA GRANT ADMINISTRATION COSTS. SECOND BY COMMISSIONER JOHNSON.

There was some discussion about the motion making reference to the marketing plan, not the budget, and whether both should be addressed in the motion. After further discussion, it was decided the motion would stand as written.

Chairman Gookin called for the vote.

THE MOTION PASSED BY A MAJORITY OF FOUR TO ONE.

Commissioner Johnson questioned who would be responsible for how the money would be distributed, the City or the Council. Ms. Korf responded that Council will consider the overall budget; Staff would determine how the area grant program is administered. There was further discussion and Ms. Korf offered to explore the question and report on it next month.

Chairman Gookin asked if anyone would like to make a motion setting guidelines or any funding changes or leave those recommendations to the discretion of the marketing group.

COMMISSIONER BISCHOFF MOVED TO GIVE EACH DISTRICT \$40,000, OR \$200,000 TOTAL, ALLOCATED OUT OF THE BUDGET FOR THE DISTRICTS. SECOND BY COMMISSIONER JOHNSON.

Discussion ensued about increasing the allocation to the districts.

Chairman Gookin called for the vote.

THE MOTION PASSED UNANIMOUSLY.

It was reaffirmed that the motion was for \$40,000, and was based on a \$500,000 budget. There was discussion about whether there was a need to provide further direction to the marketing group.

Chairman Gookin asked to move forward and merge the discussion with Item #11, Status of FY '06 Budget Recommendation. The Commission agreed.

STATUS OF FY '06 BUDGET RECOMMENDATION

Chairman Gookin discussed his attendance at a City subcommittee meeting to explain the Commission's need for funds. The request will go before the full City Council at their meeting on May 17th. The Commission was asked to provide a packet prior to that meeting for the Council members to review. The packet should include a breakdown of how the money would be spent and how much would be going to events.

There was discussion about a misunderstanding that the Council meeting was private, when in fact it was public. Members of the Commission asked to be notified of future public meetings, so that they might attend.

Commissioner Atkinson, as chair of a working group, agreed to put something together to present to the City Council. It was discussed that the Commission would need to conduct a marketing meeting and a full Commission meeting prior to submitting the packet.

AREA GRANT APPLICATION/STATUS

Judie Pinch, Old Town Scottsdale, made a request for the balance of their grant money, for Old Town brochures. The balance requested is \$15,308.

COMMISSIONER ATKINSON MOVED TO ACCEPT THE REQUEST FROM OLD TOWN SCOTTSDALE FOR THE BALANCE OF THEIR GRANT MONEY, IN THE SUM OF \$15,308, FOR OLD TOWN BROCHURES. SECOND BY COMMISSIONER JOHNSON.

There was a brief discussion about the vendor and the brochures.

Chairman Gookin called for the vote.

THE MOTION WAS PASSED UNANIMOUSLY.

Michael Fernandez, Brown Stetson Merchants Association, requested an amendment to their spring training trolley program. They decided against having a fiddle player and plan to allocate those moneys to acrylic map and directory holders, which the Brown Stetson Merchants Association would own. The holders would also be used for all future EMSD booths and would be at the disposal of whoever needs them. The bill was for \$438.27 versus the cost of the fiddle player, which was \$600.

COMMISSIONER JOHNSON MOVED THAT THE COMMISSION ACCEPT THE AMENDMENT PRESENTED BY BROWN STETSON MERCHANTS ASSOCIATION, AND ANYTHING THAT MR. FERNANDEZ HAS PUT FORTH. SECOND BY COMMISSIONER BISCHOFF.

There was some discussion about what the acrylic holders look like. Mr. Fernandez explained that they were for use in booths at events, to hold maps and directories. He further reiterated that Brown Stetson would make them available to others to use for free.

Chairman Gookin called for the vote.

THE MOTION WAS PASSED UNANIMOUSLY.

Commissioner Shaffer asked how the success of a program might be documented. It was discussed that a part of the grant application has an assessment form to be submitted, and that area grant users need to complete it and submit it with other appropriate paperwork, including receipts. There was further discussion about the forms not being turned in and Ms. Olson stated they would notify the district representatives and would announce this requirement whenever they attend the association meetings.

MARKETING WORKING GROUP UPDATE/RECOMMENDATIONS

Michelle Olson discussed work being done in various areas, including getting new businesses downtown, pitching the NASCAR event, compiling the concierge roundup and working with the marketing group on the preliminary plan. There was additional discussion regarding the preliminary budget figures.

STATUS OF FY '05 BUDGET

Ms. Korf provided an update on the FY05 budget spreadsheets, and responded to questions and comments from the Commission members regarding the FY05 budget.

FUTURE AGENDA ITEMS/COMMISSIONER ANNOUNCEMENTS

Ms. Korf stated there would be a special meeting to occur before May 17th, where the Commission would review the next draft of the marketing plan and budget. It was determined there would be a working group meeting next week, and then a full Commission meeting before the May 17th meeting packet deadline. Following a brief discussion about the meeting agendas, Ms. Korf agreed to add the Commission Recommendation on Management to the EMSD Funds to the special meeting agenda.

ADJOURNMENT

With no further business to discuss, the regular meeting of the Scottsdale Enhanced Municipal Services District Commission was adjourned at 9:16 p.m.